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## ***TESTIMONY PRESENTED TO THE APPROPRIATIONS SUBCOMMITTEE***

*February 24, 2011*

*Ron Angelo, Acting Commissioner  
Department of Economic and Community Development*

### *2011 Budget Presentation*

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Good morning Senator Duff, Representative Hurlburt, Senator Markley, Representative Miner and members of the committee, my name is Ron Angelo and I am the Acting Commissioner for the Department of Economic and Community Development (DECD). Thank you for this opportunity to appear before you concerning Governor Malloy's proposed budget for economic, housing and community development.

As you are aware our mission at DECD is to develop and implement strategies to attract and retain businesses and jobs, revitalize neighborhoods and communities, ensure quality housing and foster appropriate development in Connecticut's towns and cities.

Governor Malloy's proposed state budget for economic, housing and community development supports this mission by strengthening our economic development tools, making strategic investments in key policy areas such as housing and consolidating functions to allow for a more efficient delivery of state services to our customers.

Governor Malloy's proposed budget includes several important changes that help us in our efforts to create and retain jobs. The first I would like to discuss is the new "First Five program." The First Five program is designed to provide additional incentives to entice business development projects that will generate hundreds of new jobs and millions in new capital investment. We wholeheartedly support this bold initiative to jump-start the state economy and are excited about its potential impact.

The Governor has also proposed important changes to strengthen programs in our economic "tool box." These include:

- Raising the cap on the total credits granted under the Urban and Industrial Sites Reinvestment Tax Credit Program from \$500 million to \$750 million;
- Raising the cap on the Job Creation Tax Credit Program from \$11 million to \$20 million
- Authorizing \$80 million in additional bonding under the Manufacturing Assistance Act (MAA) to support loans to retain and attract businesses to the state.

Increasing the supply of affordable housing is one of the key components of Governor Malloy's plan to keep Connecticut competitive. The Governor has made a clear commitment to expanding housing opportunities for Connecticut residents as his capital budget proposal includes:

- \$30 million in new funding to supportive housing in order to develop 150 new units statewide
- \$50 million in each year to create affordable housing for workers, young professionals and low-income families

The Governor's budget proposal includes consolidation of two small agencies, the Commission on Culture and Tourism (CCT) and the Office of Workforce Competitiveness (OWC) into DECD. Additionally under the Governor's proposed budget workforce training programs presently at the Department of Labor (DOL) are being consolidated at the department. These changes will greatly strengthen and enhance DECD's ability to bring comprehensive solutions to the state's economic problems and provide a much more complete complement of services and assistance to Connecticut's businesses and entrepreneurs.

The Governor has also proposed making the Commissioner of DECD the chairperson of the Connecticut Development Authority (CDA) and Connecticut Innovations (CI) so that there is better coordination of resources and there is "one voice" among the economic development partners.

The other major changes proposed in the department's budget include:

- \$25 million in each year of the biennium to provide loans for brownfield redevelopment
- \$15 million each year for statewide tourism marketing, a critical component of the state's economic development strategy
- Consolidation of economic development grants

The Governor's budget also includes the development of common website for all inquiries related to economic development, including housing inquiries. DECD will host the website, which will be a central portal to all of the state's economic development programs including tourism, film, DECD financing, and the many resources available at our partner organizations, most notably CI, the Connecticut Development Authority (CDA) and the Connecticut Housing Finance Authority (CHFA). This website will also include standardized business-friendly electronic forms for all participating entities.

I hope this brief presentation has given you a general overview of the budget picture at DECD and I respectfully request the Committee's support for the Governor's budget proposals. I am happy to answer any questions you may have at this time.